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SPACE

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA 746 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON February 27, 1953 DATE

REF : -- Action Taken

FEB 28 1953

41 For Dept. Use Only	ACTION OLI	DEPT. ~~ARA I IBC IPI UNA~~ RE IPS
	RECD MAR 2	INFO OTHER ~~Bureau of African Affairs~~ IAD ARMY NAVY AIR CIA OSD

SUBJECT: Joint Weeka No. 9 for State, Army and Air Departments from S - Southern Area

DECLASSIFICATION DATE 1/30/77

PER Chapman OFFICE ARA

FADRC FOI CASE NO. 740332

SUMMARY

As the tensions arising from the recent removal of Supreme Court Justices faded further into the background, the ARBENZ Administration this week concentrated on accelerating its program to distribute land under the Agrarian Reform Law. The first expropriated private holding was put into the hands of farm laborers on February 17 and Sr. FANJUL, Minister of Economy, let it be known that hundreds of Government employees would be transferred to the field so that more land might be transferred before the rainy season begins in mid-April. Local clashes over the implementation of the law continued but presented no serious impediment to the Government's program.

The Agrarian Reform directly affected American interests when the National Agrarian Council ruled that roundly 207,000 acres of the United Fruit Company's 269,000-acre holdings on the Pacific slope in the Department of Escuintla were subject to expropriation. The company is appealing the Council's decision to President Arbenz, the final authority under the Agrarian Reform Law.

Meanwhile, Communist-controlled youth and labor organizations staged a "Conference in the Defense of Youth" in a Government school with the presence of Sr. Julio ESTRADA de la Roz, President of Congress, and Dr. Jorge Luis ARRIOLA, Minister of Public Health. They also reopened their "Jacobo Sánchez" cadre school, which had been closed during the AREVALO administration.

DOMESTIC

During the past week, tensions arising from Congress' removal of all but one of the Justices of the Supreme Court in early February abated considerably (Weekas 7 and 8).

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2/26/53 REPORTER

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the lawyers' and the students' strike suspended, the controversy was restricted to little else than continuing argument about the legal and constitutional issues. The newly-formed "University League for the Defense of the Constitution" filed with the First Court of Appeals a petition for an injunction suspending the Congressional decree which removed the Justices, an action tantamount to requesting the court to declare that Congress exceeded its constitutional powers in moving against the Supreme Court. The Appeals Court rejected the petition and the League is now considering its next step.

Several minor clashes in rural areas over the Agrarian Reform were reported but, in general, the Administration moved forward without serious incident in its accelerated Agrarian Reform program to hand over private lands to farm workers before the rainy season sets in in mid-April. The first private property, expropriated during the first week in January, was handed over to the workers on February 17 and the Official Gazette has thus far carried decrees providing for the expropriation of about 45,000 acres of private land from 39 farms. Dr. J. Roberto Fanjul told a New York Times correspondent that the Government would transfer hundreds of its office workers to the field to speed up land distribution. The Administration also attempted to hurry sorting out the tangled and graft-ridden financial affairs of the "State Farms" preparatory to their transfer to the National Agrarian Department, as required by the Agrarian Reform Law. The President appointed Sr. Alfonso Bauer Paiz to take over the "State Farms" Liquidation Commission from Colonel Anselmo GETELLA, its first head, who has resigned in order to undergo an operation.

A "Conference in Defense of the Rights of Youth" was held in Guatemala City on February 20-22 in preparation for an international conference which the World Federation of Democratic Youth and other international Communist organizations are to put on in Vienna in March. The local Conference--as was the case with last November's "First National Conference on Social Security" (Weeka 46, November 13, 1952)--was fully supported by the Government's Diario de Centro América and most of its sessions were held in a Government school building. The Conference was under the auspices of the "Alliance of Guatemalan Democratic Youth", the CGTG, the CNCG and other Communist-influenced organizations. Among those present and elected to a Presidium at the inaugural meeting were Sr. Julio Estrada de la Hoz, President of Congress, and Dr. Jorge Luis Arriola, Minister of Public Health, along with such professed Communists as Sr. Víctor Manuel GUTIERREZ, Secretary General of the national labor federation CGTG, and Sr. Rafael TISCHLER, Secretary General of the national teachers' union STEG. In its deliberations, the Conference adopted resolutions in favor of the Guatemalan

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Agrarian Reform and the "struggle for peace" but buried these among 60 odd resolutions in an attempt to present a picture of a national, non-political effort by Guatemalan youth to examine the problems of education, social security and health. The influential independent press, however, was alive to the Communist purpose of the meeting and, after a pre-Conference exposure of the ties with the scheduled Vienna conference, did not give it any more publicity.

In a further indication of the confidence with which the Communists view their position under the Arbenz Administration, the Guatemalan Labor (Communist) Party on February 17 reopened the "Jacobo Sánchez" School, a party cadre training institution closed by the authorities in 1950 during the Arévalo administration. Its first course is a ten-day intensive course for party organizers.

AMERICAN INTERESTS

The accelerated application of the Agrarian Reform Law confronted the United Fruit Company with a new problem when the National Agrarian Council rejected the appeal of Mr. A. L. BUMP, the company's local manager, for a reversal of the decision of the Department of Escuintla Agrarian Committee that "uncultivated" land of the Cia. Agrícola de Guatemala, a UFCO subsidiary, should be expropriated for distribution to the workers. The Council's ruling would subject about 207,000 acres to expropriation, leave the company some 62,000, of which some 15,000 acres were still subject to further study. Mr. Bump has now submitted an appeal to President Arbenz, who under the Agrarian Reform Law is the final authority.

FOREIGN AFFAIRS

Dr. Raúl OSEGUEDA, the Foreign Minister, on February 24 announced the formation of an Administrative Office for the Organization of Central American States (ODECA) in the Foreign Office with Sr. Alfonso ALONSO, a career Foreign Office official, as Chief and Sr. Eliseo MARTINEZ Zelada, a radical leftist who has hewed close to the Communist line, as his deputy. Sr. Martínez Zelada was the Private Secretary of ex-President Juan José Arévalo, now Ambassador at Large, and has taken a strong anti-American line. The Administrative Office will handle technical and administrative details before and during the May ODECA conference.

Dr. Osegueda also announced that the Special Council of the ODECA had met to discuss the agenda of the meeting and

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that its members had agreed to accompany him on his forthcoming tour of the other Central American republics. The Special Council is under Dr. Osegueda's Chairmanship and its other members are the Chiefs of Mission of El Salvador, Honduras, Nicaragua and Costa Rica.

Rudolf E. Schoenfeld

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